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**Central China New Life Limited**  
**建業新生活有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9983)**

**CONTINUING CONNECTED TRANSACTIONS**  
**PROCUREMENT SERVICES FRAMEWORK AGREEMENT**

On 30 October 2020, the Company entered into the Procurement Services Framework Agreement with CCRE, pursuant to which the Group agreed to provide the Procurement Services to the CCRE Group and its associates in respect of gift packs for their property purchasers as part of their marketing strategy.

As at the date of this announcement, CCRE is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling Shareholder and a connected person of the Company. Accordingly, CCRE is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the Procurement Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual cap of the Procurement Services Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Procurement Services Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## PROCUREMENT SERVICES FRAMEWORK AGREEMENT

The principal terms of the Procurement Services Framework Agreement are as follows:

Date	30 October 2020
Parties	(1) The Company (as service provider)  (2) CCRE (as service user)
Term	1 August 2020 to 31 December 2022
Service scope and detailed arrangement	<p>According to the Procurement Services Framework Agreement, the Group shall provide Procurement Services to the CCRE Group and its associates in respect of gift packs for their property purchasers as part of their marketing strategy. In order to improve customer satisfaction, promote the brand recognition of “Central China (建業)” and increase customer repurchase rate, the CCRE Group and its associates typically offer gift packs to their property purchasers. The gift packs are tailored for each property project of the CCRE Group and its associates based on its marketing strategy themes with the own characteristics of each property project.</p> <p>Such gift packs comprise goods and/or services offered by the Independent Third Parties, such as electrical appliances and household commodities as well as services offered by the CCRE Group and its associates, such as cash vouchers for hotels, shopping malls, cultural tourism complexes and Cuisine Henan Foodcourts (建業大食堂) owned by the CCRE Group and its associates.</p> <p>In order for us to prepare the gift packs for the target property purchasers, the CCRE Group and its associates shall enter into an individual agreement with the Group for each property project, which sets out (i) the market value per gift packs in RMB; and (ii) the specific categories of goods and services to be included in the gift packs in order to tailor to the consumption preferences and needs of the target property purchasers for the particular property project.</p>

Service fee Pursuant to the Procurement Services Framework Agreement, the payment procedures for the provision of the Procurement Services for specific property projects shall be as follows:

- (a) the CCRE Group and its associates pay to the Group the total market value in RMB of all the gift packs in respect of the relevant property projects (the “**Procurement by the CCRE Group and its associates**”);
- (b) the Group shall pay to the Independent Third Parties the costs of purchase, with certain bulk purchase discount, in respect of the goods and/or services offered by such Independent Third Parties which will be included in the gift packs for the property purchasers of such property project, such as electrical appliances, household commodities and any other goods and/or services as set out in the individual agreement; and
- (c) in situations where the individual agreement requires the services of the CCRE Group and its associates to be offered under the gift packs, the Group shall then pay back to the CCRE Group and its associates the costs of purchase, with certain bulk purchase discount, in respect of the services offered by them for inclusion in the gift packs for the property purchasers of such property project, such as cash vouchers for hotels, shopping malls, cultural tourism complexes and Cuisine Henan Foodcourts (建業大食堂) owned by the CCRE Group and its associates (the “**Procurement by the CCNL Group**”).

#### **ANNUAL CAPS AND BASIS FOR DETERMINING THE PRICE**

The transaction amount of the Procurement by the CCRE Group and its associates and the transaction amount of the Procurement by the CCNL Group for the two months ended 30 September 2020 were approximately RMB2.5 million and nil, respectively.

The annual caps for Procurement by the CCRE Group and its associates for the years ending 31 December 2020, 2021 and 2022 are RMB60.0 million, RMB65.0 million and RMB65.0 million.

The annual caps for Procurement by the CCNL Group for the years ending 31 December 2020, 2021 and 2022 are RMB25.0 million, RMB20.0 million and RMB20.0 million.

In considering the above annual caps under the Procurement Services Framework Agreement, the Directors have considered a number of factors, including the (i) number of the property projects of the CCRE Group and its associates in the pipeline in the three years ending 31 December 2020, 2021 and 2022, which require gift packs as marketing

promotion and the estimated number of requisite gift packs; (ii) the marketing budget of the CCRE Group and its associates for such gift packs in the three years ending 31 December 2020, 2021 and 2022; and (iii) the proportion between the services offered by the CCRE Group and its associates and the goods and/or services offered by Independent Third Parties in each gift packs, taking into account the marketing strategies of the CCRE Group and its associates of their services from time to time.

Prior to entering into any individual service agreement for the provision of Procurement Services for a specific property project, the CCRE Group and its associates would determine the service fee for the Procurement Services with the Group on arm's length basis with reference to the following factors:

- the marketing positioning and brand planning of the property projects and the market conditions at the time of sales launch of the property projects, including the promotion offers of the competitors of the CCRE Group, which would affect the total market value in RMB of the gift packs;
- the prevailing market prices of the goods and/or services offered under the gift packs at the time of procurement by the Group;
- a reasonable bulk purchase discount to be provided by the CCRE Group to the Group for purchase of the cash vouchers for CCRE's abovementioned services, which the CCRE Group also offers to other Independent Third Parties in similar purchases by them from time to time; and
- a reasonable mark-up rate, ranging from 10% to 30%, to be charged by the Group for the provision of Procurement Services, which amounts to similar price level in case the CCRE Group and its associates acquire similar merchandise from the relevant suppliers in the market without the benefits of the Group's sourcing networks and bulk purchase discount offered by the Group's suppliers.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PROCUREMENT SERVICES FRAMEWORK AGREEMENT**

Given that the Group operates the Jianye + (建業+) platform, which is a one-stop service platform providing comprehensive consumer goods and services (including some of the goods and services offered under the gift packs) under the Group's business segment of lifestyle services, the CCRE Group and its associates consider that engaging the Group to provide the Procurement Services would enable them to reduce procurement, administrative costs and workload with the synergistic effect generated from the Group's business.

The Company considers that entering into the Procurement Services Framework Agreement will be conducive to the Group's revenue growth from its lifestyle services, increasing the Group's total revenue and boosting profits as a result, which is in line with the Group's strategic development needs.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual cap of the Procurement Services is expected to exceed 0.1% but less than 5%, the Company and CCRE have entered into the Procurement Services Framework Agreement to set the annual caps for the years ending 31 December 2020, 2021 and 2022.

The Directors (including the independent non-executive Directors) are of the view that: (i) the continuing connected transaction described above will be entered into in the ordinary and usual course of business and conducted on normal commercial terms or better; (ii) the terms of the continuing connected transaction are fair, reasonable and in the interests of the Group and Shareholders as a whole; and (iii) the annual caps for the continuing connected transaction are fair and reasonable and in the interests of the Group and Shareholders as a whole.

### **DIRECTORS' INTEREST IN THE CONTINUING CONNECTED TRANSACTION**

CCRE is indirectly owned as to more than 30% by Mr. Wu. As (i) Ms. Wu Lam Li is the wife of Mr. Wu; and (ii) Mr. Wang Jun is an executive director of CCRE, as Directors, they have abstained from voting on the Board resolution approving regarding the Procurement Services Framework Agreement to avoid any conflict of interest. Save for the above, none of the Directors has any material interest in any of the transactions contemplated under the Procurement Services Framework Agreement and is required to abstain from voting on the Board resolutions to approve the same.

### **INFORMATION OF THE PARTIES**

The Group is principally engaged in (i) provision of property management services and related value-added services; (ii) provision of lifestyle services; and (iii) provision of commercial property management and consultation services in the PRC.

CCRE Group is principally engaged in real estate development and sales in Henan Province, the PRC.

### **LISTING RULES IMPLICATION**

As at the date of this announcement, CCRE is indirectly owned as to more than 30% by Mr. Wu. Mr. Wu is a controlling Shareholder and a connected person of the Company. Accordingly, CCRE is an associate of Mr. Wu and thus a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The transactions contemplated under the Procurement Services Framework Agreement therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under the Listing Rules in respect of the annual cap of the Procurement Services Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Procurement Services

Framework Agreement are subject to the reporting, announcement and annual review requirements but exempted from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, the following terms have the following meanings unless the context otherwise requires:

“associate(s)”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors
“CCRE”	Central China Real Estate Limited, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 832), and a connected person of the Company
“CCRE Group”	CCRE and its subsidiaries
“Company” or “CCNL”	Central China New Life Limited, a company incorporated under the laws of the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning given to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group” or “CCNL Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	an entity which, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wu”	Mr. Wu Po Sum, the chairman, an executive director and a controlling shareholder of CCRE, and a controlling Shareholder of the Company
“PRC”	the People's Republic of China

“Procurement Services”	Procurement services provided by the Group in respect of gift packs for the property purchasers of the CCRE Group and its associates as part of their marketing strategies pursuant to the Procurement Services Framework Agreement
“Procurement Services Framework Agreement”	the framework agreement entered into between the Company and CCRE on 30 October 2020 for the provision of the Procurement Services by the Group to the CCRE Group
“Shareholder(s)”	holder(s) of the Shares
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**Central China New Life Limited**  
**Wang Jun**  
*Chairman*

Hong Kong, 30 October 2020

*As at the date of this announcement, the Board comprises: (i) Mr. Wang Jun (Chairman) and Mr. Cai Bin as executive Directors; (ii) Ms. Wu Lam Li and Ms. Min Huidong as non-executive Directors; and (iii) Mr. Leong Chong, Ms. Luo Laura Ying and Ms. Xin Zhu as independent non-executive Directors.*

*This announcement is available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.ccnewlife.com.cn](http://www.ccnewlife.com.cn).*